



*Office of the United States Attorney
District of Arizona*

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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For Information Contact Public Affairs

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FORMER NBA REFEREE PLEADS GUILTY TO FILING A FALSE TAX RETURN FOR PROFITS DERIVED FROM NBA WORK

PHOENIX, ARIZONA -- DARELL LEE GARRETSON, 68, a resident of Mesa, Arizona and a former referee with the National Basketball Association, pleaded guilty today to one count of Fraud and False Statement, in federal district court, in Phoenix, Arizona.

GARRETSON was an employee of the NBA for 29 years. From 1981 through 1995, he served as Chief of Staff of Referees and Supervisor of Referees. As Supervisor of Referees, **GARRETSON** had a number of responsibilities including recruiting, training, and rating NBA referees. In addition to his management responsibilities, **GARRETSON** refereed games. During 1992 and 1993, **GARRETSON** flew to his refereeing and observing assignments using airline tickets that cost less than the amount reimbursed by the NBA. He retained the excess airfare reimbursements for his personal use and did not report the additional income on his 1992 or 1993 tax returns. **GARRETSON** was required to provide documentation of his airline expenses by submitting the actual receipt from the flight and verification of the class of service he used. **GARRETSON** submitted first class airline ticket receipts to the NBA which reflected a higher fare than the amount he paid. He obtained these receipts from a travel agency in Tempe, Arizona.

In 1992, **GARRETSON** received excess airfare reimbursement of \$54,531. In 1993, he received excess airfare reimbursement of \$26,130. **GARRETSON** did not report the income from the excess airfare

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reimbursements when he filed his 1993 tax returns which was signed under penalty of perjury. The total tax loss for 1992 and 1993 was \$21,238.

Under the plea agreement, the defendant can receive a maximum of up to 3 years imprisonment. Sentencing is scheduled for June 26, 2000.

The investigation that led to the successful prosecution of this case was conducted by the Internal Revenue Service.

The case was successfully prosecuted by C. Patrick Hogeboom III, Trial Attorney, Tax Division, U.S. Department of Justice.

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